

CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION

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California Insurance Commissioner

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA
SACRAMENTO**

In the Matter of the Licenses and Licensing
Rights of

OLD REPUBLIC TITLE
COMPANY,

Respondent.

File No. SF 15327-A

ORDER

WHEREAS, OLD REPUBLIC TITLE COMPANY (“Respondent”) has executed a
Stipulation and Waiver; and

WHEREAS, Respondent has waived its rights to a hearing in this matter, and any other
rights which may be accorded pursuant to the provisions of the California Administrative
Procedure Act (§§11500 – 11528 of the Government Code) or California Insurance Code, and has
stipulated to the enter of this Order; and

WHEREAS, the Commissioner contends that the facts alleged herein provide the
Commissioner with good cause to believe that Respondent has engaged in conduct which does
not comply with the requirements and standards of Article 6, Chapter 1, Part 6, Division 2
(commencing with §12404) of the Insurance Code; and

1 WHEREAS, Old Republic Title Company in order to avoid the expense, uncertainty, and
2 distraction of litigation, desires to resolve the above-captioned matter without the institution of
3 formal charges, therefore stipulates as follows:

- 4 1. Respondent is licensed by the Commissioner to act as an underwritten title
5 company in the State of California, pursuant to §12389 of the Insurance Code;
- 6 2. From 1998 to present, the Commissioner examined the operations of Respondent
7 in California pursuant to Insurance Code §12389. Since that time, the
8 Commissioner has investigated the acts and practices of Respondent that the
9 Commissioner contends constitute violations of the Insurance Code;
- 10 3. The Commissioner asserts that Respondent engaged in the following illegal
11 rebate/inducement activities in California from 1998 to the present:
 - 12 A. Old Republic organized and continuously conducted approximately
13 four thousand eighty-six (4086) computer training courses for the purpose
14 of training real estate agents, as more fully described in the Accusation
15 filed in this matter and incorporated herein by reference;
 - 16 B. Old Republic repeatedly acted as printer and publisher for real estate
17 booklets, as more fully described in the Accusation filed in this matter and
18 incorporated herein by reference;
 - 19 C. On five (5) occasions in 1999, Old Republic organized and offered
20 continuing educational courses and catered luncheon for real estate agents;
21 On seven (7) occasions between August 2000 and August 2001, Old
22 Republic organized and offered continuing education courses in Los
23 Angeles, Orange, Riverside, San Diego, and Ventura, as more fully
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1 described in the Accusation filed in this matter and incorporated herein by
2 reference; and

3 D. Old Republic hosted educational events, seminars, and cold calling
4 parties for real estate agents, as more fully described in the Accusation
5 filed in this matter and incorporated herein by reference.
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7 WHEREAS, Respondent submits that it has evidence that the alleged conduct in
8 Paragraph 3 above, (except for those specifically admitted) did not occur and/or were not
9 violations of the law, and therefore denies the Commissioner's assertions; and

10 WHEREAS, for the purpose of avoiding the expense, delay, and uncertainty of litigation,
11 Respondent stipulates and agrees as follows:

- 12 1. Respondent is represented by competent counsel in these matters;
- 13 2. Respondent waives the right to a hearing in these matters, and any and all other rights
14 which may be accorded pursuant to provisions of the California Administrative Procedure
15 Act (§§11500-11528 of the Government Code) or California Insurance Code;
- 16 3. Respondent agrees that, within the State of California, it will discontinue engaging in
17 illegal rebate/inducements activities, including but not limited to, computer training
18 courses for real estate agents, real estate book printing, and educational programs not
19 related to the business of title;
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- 21 4. Respondent agrees to pay, within thirty (30) days upon receipt of an invoice from the
22 Department of Insurance, the amount of One Million Dollars (\$1,000,000.00) as a fine
23 payable to the Office of the State Insurance Commissioner;
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- 25 5. Respondent acknowledges that the attached Stipulation and Waiver was freely and
26 voluntarily executed, with a full realization of all its legal rights;
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- 1 6. The terms of this agreement apply to the above described examination and investigation,
2 and allegations arising therefrom;
- 3 7. This Order nor the attached Stipulation and Waiver shall be used as evidence of the truth
4 of the facts alleged by the Commissioner of Insurance herein, or as evidence of an
5 admission of wrongdoing. Neither this Stipulation and Waiver, nor the attached Order
6 shall be precedent in any action based on alleged actions other than those described in this
7 agreement. Neither this Order, nor the attached Stipulation and Waiver is intended to
8 limit the conduct or practices of any separate corporation affiliated with Respondent but
9 not licensed as a title insurer, underwritten title company, or controlled escrow company,
10 except to the extent that such activity or practice constitutes an indirect rebate prohibited
11 by Insurance Code §§12404 et seq. This Stipulation and Waiver is entered into subject to
12 and is protected by California Evidence Code §§1152 and 1154, and Federal Rule of
13 Evidence §408.
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16 WHEREAS, the execution of the Stipulation and Waiver by Old Republic Title Company
17 will facilitate the Insurance Commissioner's consideration of the qualifications set forth in
18 Insurance Code Section 12389.1 as to any pending applications of Old Republic Title Company
19 for reissued underwritten title company license, and any findings of material deficiency as may
20 presently relate thereto.
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23 Dated: December 5, 2001

HARRY W. LOW
Insurance Commissioner

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26 By: _____
27 ERIKA E. LORENZ,
28 Assistant Chief Counsel